



March 2024

MGFA Newsletter



March 2024 Newsletter

- Legislative Update
- MGFA Southern MN Grain Grading School to Be Held Next Thursday
- Upper Mississippi River Shipping Season Opens
- CISA, FBI Warn of Attacks by Ransomware Group
- ADM Struggles to Bounce Back After Accounting Investigation
- Organizations Object to EPA's Draft Risk Evaluation of Formaldehyde
- Early-bird FII Registration Ends Friday
- Applications Now Being Accepted for MGFA's Commitment to Agriculture Scholarship Program



Legislative Update

Tomorrow, March 22, marks the first committee deadline at the Minnesota Legislature, meaning any bill introduced needs to be heard in both legislative bodies by the first deadline. MGFA has been active in St. Paul following a few bills, specifically [HF3815/SF4302](#), which addresses policy provisions related to last year's grain indemnity fund legislation. The bills aim to clean up certain definitions in the grain buyer's & storage statutes, as well as modify financial reporting for grain buyers. The bill will:

- trade financial statements prepared by CPAs using generally accepted accounting principles (GAAP) for national or international accounting standards

- eliminate the certification by the CEO and/or board of directors that financial statements accurately reflect the financial condition of the licensee
- eliminate the need for reviewed financial statements for grain buyers purchasing under \$7.5M of grain annually
- modify the grain purchases threshold over \$7.5M to allow for reviewed or audited financial statements
- introduces a new threshold over \$20M that states grain buyers must submit audited financial statements

Over the last few weeks, MGFA has met with the House and Senate bill authors, and Sen. Aric Putnam, Chairman of the Senate Agriculture, Broadband and Rural Development Committee, to express our concerns & offer suggestions to modify the bill. MGFA has also testified in both the House & Senate on the bills.

While MGFA supports the proposed annual grain purchase threshold changes, we have some concern with changing the financial statement preparation from using GAAP to national or international accounting standards as these changes will allow for tax or cash basis accounting. This change expands the type of financial reports MDA will accept and at the same time, establishes a non-uniform financial reporting standard across all grain licensees. The MDA plans to use the annual financial reports and their annual examinations of licensees to monitor & evaluate the financial integrity of Minnesota's grain industry. It should be noted that MDA's grain division does not employ staff skilled in evaluating financial reports.

Unfortunately, due to lack of support from MDA, there appears to be zero interest from legislators in reviving the grain bond program for grain buyers & warehouses at this time.

In other legislative news, MGFA is also tracking two proposed rail-related bills (below) and we have signed onto a coalition letter opposing the changes:

HF 4357/SF 3943: Mandates specific detectors in specific locations which would stifle innovation, increases costs and delays projects, and creates conflicts with federal authority on regulating rail safety.

HF 3499/SF 4161: Limits train length and raises costs for businesses and consumers, reduces competitiveness, and increases greenhouse gas emissions due to higher fuel consumption and a potential shift to truck transportation.

These bills were heard in their respective committees last week and were re-referred to their Judiciary committees in the House & Senate.



MGFA's Southern MN Grain Grading School to Be Held Next Thursday

The Minnesota Grain & Feed Association will be sponsoring a grain grading school next week in Morton, MN. The grain grading school will be held on **Thursday, March 28 at Jackpot Junction Casino Hotel** (507-697-8000). The school is conducted in a very practical manner by licensed grain inspectors. The focus at this school will be on the grading of corn and soybeans. The school will begin at 9:00 AM and conclude by 3:00 PM (lunch included). Proper use of

grading equipment will be demonstrated, and each participant will receive a participation certificate.

The cost for the school is \$95/person for MGFA member firms. The non-member charge is \$115/person. The cost includes training materials, training personnel time, breaks and lunch.

To register, complete the [registration form](#). Please return the form, along with payment to the Minnesota Grain & Feed Association. Cancellations will be accepted up to 48 hours prior to each school. After that date a full refund cannot be guaranteed. We encourage pre-registration so we can ensure meal counts, material availability, etc.



Upper Mississippi River Shipping Season Opens

On March 17, a tow with 12 barges moved through Lock and Dam 2 in Hastings, MN, opening the Upper Mississippi River to shipping after its cyclic winter shutdown. In winter, the Upper Mississippi River closes to barge traffic because of cold weather and icy conditions. As the widest location on the river, Lake Pepin also has the slowest current, so its ice is typically the last to break up. This year, unusually warm weather prompted the U.S. Army Corps of Engineers to cancel the annual Lake Pepin survey in February. Despite the warm weather, however, the locks remained closed for winter maintenance that was completed on March 15. The average start date for the navigation season is March 22, and the earliest has been March 4, in 1983, 1984, and 2000.

Source: USDA Grain Transportation Report



CSI, FBI Warn of Attacks by Ransomware Group

As part of the [#StopRansomware](#) campaign, the Federal Bureau of Investigation (FBI) and Cybersecurity and Infrastructure Security Agency (CISA) published an advisory on the Play (or Playcrypt) ransomware group.

Since June 2022, Play has impacted a wide range of businesses and critical infrastructure in North America, South America, and Europe, the advisory said. As of October 2023, the FBI was aware of approximately 300 affected entities allegedly exploited by the ransomware actors.

There were 14 attacks by Play against the Food and Ag sector in 2023. They are the third most prolific group watched by the Food and Ag Information Technology-Information Sharing and Analysis Center (IT-ISAC) in terms of attacks by volume. Already in 2024, there are four documented attacks against the sector by Play, according to IT-ISAC.

The Play ransomware group is presumed to be a closed group, designed to “guarantee the secrecy of deals,” according to a statement on the group’s data leak website. Play ransomware actors employ a double-extortion model, encrypting systems after exfiltrating data. Ransom notes do not include an initial ransom demand or payment instructions, rather, victims are

instructed to contact the threat actors via email.

The FBI and CISA encouraged organizations to implement cybersecurity recommendations to reduce the likelihood and impact of ransomware incidents, including requiring multifactor authentication, maintaining offline backups of data, implementing a recovery plan, and keeping all operating systems, software, and firmware up to date.

Source: NGFA Newsletter



ADM Struggles to Bounce Back After Accounting Investigation

It took just one day for Archer-Daniels-Midland Co. to lose more than \$8 billion in value following news of an investigation into its accounting practices earlier this year. Bouncing back will take a lot longer.

The storied agricultural commodities trader, which historically dubbed itself the “supermarket to the world,” has spent billions to grow its nutrition unit, the business that makes pet food and veggie burgers that’s now under scrutiny. But the strategy to diversify beyond corn, wheat and soybean trading — ADM’s staples — has faltered, with no obvious alternative in place.

To make matters worse, the cycle for its core agricultural commodities has turned, with rising grain inventories sparking predictions of more price declines ahead. While ADM said on Tuesday it’s taking aggressive steps to fix its nutrition business — slashing product lines and mulling potential asset sales — investors may not be rushing to re-buy shares any time soon. ADM has only regained a fraction of its diminished market capitalization in the nearly two months since it disclosed the probe.

[View Article](#)



Organizations Object to EPA's Draft Risk Evaluation of Formaldehyde

The American Feed Industry Association (AFIA) is expressing concern about the Environmental Protection Agency’s release last Friday of its draft formaldehyde risk evaluation under the Toxic Substances Control Act (TSCA) for public comment and peer review.

“The AFIA has strong concerns with the EPA’s draft risk evaluation of formaldehyde, which is one of the most well-studied chemicals in use today. The chemical has been safely used in the U.S. animal food industry for over 40 years via accurate automated equipment that significantly minimizes employee exposure as an effective way to control food safety pathogens in feed,” stated AFIA’s Vice President of Public Policy and Education Leah Wilkinson.

There is also emerging research that shows formaldehyde may be a very effective tool to

mitigate the African swine fever (ASF) virus, but not if that tool is taken away from the animal food industry, she added. “The U.S. animal food industry must have access to this safe and effective tool.”

[View Article](#)



Early-bird FII Registration Ends Friday

Are you ready to take your expertise in the feed industry to the next level? Don't miss out on the opportunity to secure your spot at the American Feed Industry Association's [Feed Industry Institute](#) (FII), **June 17-20** in Minneapolis, MN.

FII offers an educational experience perfect for those who are new to the industry or stepping into new roles. Attendees gain a comprehensive overview of the animal feed and pet food industries, animal physiology, key ingredients and their inclusion rationale and the latest regulations affecting our industry. The [agenda](#) is filled with engaging sessions led by industry experts and provides great opportunities to network with other feed industry professionals.

Time is running out to take advantage of our early-bird registration discount! Register by **Friday, March 22**, to secure your spot and save on registration fees with the early-bird rate of \$799.



Applications Now Being Accepted for MGFA's Commitment to Agriculture Scholarship Program

In an effort to financially assist students pursuing agriculture degrees at institutions of higher learning, the Minnesota Grain and Feed Association established a scholarship program, which is funded by generous donations from industry members and friends. The MGFA annually awards up to three \$1,000 scholarships to successful applicants.

Applicants must be:

1. The child of an elevator or feed mill employee whose employer is a current MGFA member, in good standing with the Association, OR
2. An employee/intern of an elevator or feed mill whose employer is a current MGFA member, in good standing with the Association

The student must be pursuing a degree in agriculture (preference will be given to those pursuing a degree in agribusiness) and have a minimum GPA of 2.75. The application for the 2023-24 Commitment to Agriculture Scholarship is available [here](#). The deadline to submit an application is **April 19, 2024**.

If you know of a student who would be interested in receiving a scholarship, please share this information & encourage them to apply. Information can also be found on the MGFA website at www.mgfa.org.



[About Us](#)

[News & Events](#)

[Membership](#)

[Resources](#)



Address:

**125 W. Main St.
New Prague, MN 56071
Ph: 952.758.3999
Fax: 952.758.3997**

**E-mail Us
Now**

Minnesota Grain and Feed Association | 125 W. Main St., New Prague, MN 56071

[Unsubscribe mgfa@usinternet.com](mailto:unsubscribe_mgfa@usinternet.com)

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by laura@minnesotagrainsandfeedassociation.com powered by



Try email marketing for free today!